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C O N F I D E N T I A L SECTION 01 OF 02 MINSK 000159

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SUBJECT: ILO SUPPORTS POSTPONING GSP SUSPENSION FOR BELARUS

REF: 06 MINSK 1188

Classified By: Ambassador Karen Stewart for reason 1.4 (d).

Summary

¶1. (C) Independent trade union leaders have warned Poloffs in recent meetings that the GOB's "progress" in implementing the International Labor Organization's (ILO) 12 recommendations on improving labor rights is purely cosmetic. However, the ILO has noted some willingness from the GOB to reform and, as a result, will likely suggest to the EU to postpone the General System of Preferences (GSP) suspension for another six months. Independent regional labor union representatives doubted the GOB would ultimately follow through on any of its promises and, although they expect the GSP suspension to affect Belarusian workers, labor union leaders stressed that the EU should suspend the preferences in order to send a tough message to the GOB. End summary.

ILO Likely To Support Postponing GSP Suspension

¶2. (C) Moscow-based ILO representative Sten Petersen recently told Poloff that Belarus had made "progress" in improving labor rights, citing as an example the GOB's decision to reinstate air dispatcher Oleg Dolbik. (Note: Dolbik, considered by many as the best air dispatcher in Belarus, was fired in 2004 after testifying to the ILO about labor rights abuses in Belarus. The ILO constantly cited Dolbik's situation in its reports and negotiations (reftel). End note.) Petersen also claimed that the Belarusian Independent Trade Union (BITU) was finally able to sign a collective bargaining agreement with Belneftekhim, the state owned energy monopoly. Belneftekhim controls, among other companies, the Grodno Azot (fertilizer) company, Belshina tire factory, and Polotsk glass fiber factory, which are major labor rights violators.

¶3. (C) Consequently, Petersen expects the ILO governing body in March to postpone the GSP suspension by another six months. Petersen personally viewed the suspension of GSP as a poor move, noting that the GSP was the EU's only leverage over Belarus and once it was suspended, the worst would be over for Belarus and the GOB could strengthen its repression on trade unions and workers. According to Petersen, the threat of GSP suspension made GOB officials "quite scared." However, Petersen hoped the EU would use this vulnerability to continue pressing for democracy and labor rights in Belarus.

Union Leader Supports Postponement

14. (C) Leader of the Belarusian Congress of Democratic Trade Unions (BCDTU) Aleksandr Yaroshuk in a February 7 meeting with Poloff supported Petersen's recommendation to postpone the decision, reiterating that once the GSP was removed, the GOB could continue its campaign against trade unions without facing consequences. Even if the ILO wanted to initiate the suspension process, as Yaroshuk noted, the GOB's heavy lobbying efforts in the EU were eroding the already weak support for the suspension. According to Yaroshuk, Belarus' European neighbors were also undermining the process, because the suspension would affect their economies, which partly rely on Belarusian trade. However, Yaroshuk stressed that the EU needed to follow through on its threat if no progress is made by March, or else the EU would lose all credibility.

GOB Efforts Are Cosmetic, Let The Axe Drop

15. (C) Regional independent trade union leaders in a February 16 luncheon told Poloff that the GOB had made no efforts to improve labor rights and that the two main "improvements" made by the GOB -- rehiring union members who were fired and giving the Belarusian Congress of Democratic Forces (BCDTU) a seat on the national labor council -- were cosmetic in nature. Minsk-based ILO representative Nataliya Verishagina explained that union members who were fired were rehired at their former enterprises, but were not reinstated to their original positions, nor were given back their rank, pay, and benefits. The BCDTU's position on the national labor council allowed the union to bring issues to the table, but the rest of the council (all pro-government representatives) refuses

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to discuss them or take them seriously.

16. (C) The union leaders stressed that due to the GOB's lack of resolve, the EU needed to suspend the GSP. Head of the Borisov Radio and Electronic Workers' Union (REP) Nikolay Pokhabov stressed that procrastinating on the suspension would accomplish little and deputy leader of the Belarusian Free Trade Union (BFTU) in Novopolotsk Nikolay Stuko maintained that the EU should stick to tough deadlines. Chairman of the BITU Vasiliiy Korobov admitted that suspending the GSP would affect workers' wages but he claimed workers would soon "go broke" anyway as many factories have already been reducing the wages of all workers.

GOB Labor Law Concept a Flop, Provocation

17. (C) On January 31, assistant in the Minsk-based ILO office Yevgeniy Burak gave Poloff a copy of the "concept" of a draft law on trade unions which Lukashenko approved in October 2006 (reftel). Until recently, the text of the concept was unavailable. According to Burak, the provisions in the concept violated international norms, including the ILO's 12 recommendations to Belarus, by setting up minimum membership requirements that would inevitably shut down independent unions. Burak suspected the concept would be the basis for negotiations between the ILO and the GOB, doubting that it would make it to Parliament in its current form.

18. (C) Petersen called the concept a "provocation"; the same response the ILO gave to the visiting GOB delegation in October 2006 when the latter first presented the document. Petersen informed Poloff that the Belarusian Deputy Minister of Labor Yelena Kolos and Deputy Prime Minister Andrey Kobyakov were expected to travel to Geneva February 13-16 to present to the ILO a new draft of the concept of a trade union bill. However, if it resembled the original concept, the ILO would view the GOB's "attempts" to improve labor rights in Belarus as unacceptable.

Comment

19. (C) In the wake of increased Russian energy prices for Belarus and on-going trade disputes with its Eastern neighbor, the GOB is understandably keen on maintaining the GSP regime with the EU. The suspension of GSP could result in a loss of USD 500 million for the Belarusian economy. However, Lukashenko in recent speeches has made clear that in order to preserve the status quo in Belarus, he does not plan to implement radical political and economic reforms. Thus, it is unlikely that the GOB will ever take the appropriate measures to fulfill all of the ILO's recommendations on labor reform.

Stewart